

## **EXHIBIT 3**

### **DEFENDANTS RESPONSE TO PLAINTIFF'S MOTION TO COMPEL**

10/08/2004 15:21 FAX 6789931761

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# BUTCHER ROBINSON & STAPLES LIMITED

LLOYD'S BROKER

COLLEGIATE HOUSE, 9 ST. THOMAS STREET, LONDON SE1 9RY  
AND AT LLOYD'S

Couch and Associates, Inc. (USI of Georgia),  
3575, Habersham at Northlake,  
Building L,  
Tucker,  
Georgia, 30084.  
USA.

TELEPHONE: 020-7407 0626  
TELEFAX: 020-7407-1076  
WEB ADDRESS: www.brstld.co.uk  
CDE NUMBER 744

7th November 2000

UM001160Y

## COVER NOTE

**TYPE:** EXCESS LIABILITY INSURANCE.

**FORM:** Zurich Occurrence Excess Liability Wording (ZROCC/97) amended to include the "Reported Occurrence Endorsement" as expiring

**INSURED:** ALLIED HOLDINGS INC. and as per form.

**INSUREDS  
POSTAL ADDRESS:** 160, Clairmont Avenue,  
Suite 510,  
Decatur,  
Georgia 30030.

**PERIOD:** 36 Months at 1st October, 2000.  
12.01 a.m. Local Standard Time.

**INTEREST:** Covering in respect of the Insured's Liability arising out of their operations as per forms.

**LIMITS OF  
LIABILITY:** USD 20,000,000 Each Loss and in the annual aggregate as per Form.

**EXCESS OF:**

UNDERLYING AMOUNTS AS PER SCHEDULE (as attached)

**TERRITORIAL  
LIMITS:** WORLDWIDE.

Please check this Cover Note carefully and advise us immediately if any of the details or Security are either incorrect or do not meet with your approval.



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CONTINUATION OF COVERNOTE NO. UM001160Y  
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- CONDITIONS:
- 1) Item 4 of Declarations: Couch and Associates, Inc.
  - 2) Entities and schedule of retroactive dates as expiring or to be agreed.
  - 3) Item 7. of Declarations:  
McCullough, Campbell and Lane,  
401, North Michigan Avenue,  
Chicago,  
Illinois, 60611-4277,  
U.S.A.
  - 4) Reported Occurrence Endorsement (included within Policy Premium hereon).
  - 5) Policy Review Clause (Cancellation Clause) to be agreed.
  - 6) Permissive Use Endorsement as expiring.
  - 7) Policy Exclusion (I) deleted.
  - 8) Application of Deductible (as expiring).
  - 9) Owner Operators/Contract Drivers Endorsement as expiring.
  - 10) Pollution Exclusion, time element basis as expiring.
  - 11) Excluding any liability arising out of the 22nd December, 1988 (McCary) loss.
  - 12) Excluding all known circumstances/losses that have occurred prior to 29th March, 1991 not already excluded by virtue of Exclusion (r) (in respect of Centurion Management Corporation).
  - 13) Employee Related Practices Exclusion as expiring.
  - 14) Securities and Financial Interest Exclusion as expiring.
  - 15) Deletion of Condition (C) "Cross Liability Exclusion" as expiring.
  - 16) Simultaneous Payment Endorsement, as attached.
  - 17) Revised Definition 1. Insured, Item C as expiring.
  - 18) Under Insuring Agreements, 2, Underlying Amounts Obligations of the Insured, is added in respect of Legion Transportation Inc. and Axis Group Inc. as expiring.
  - 19) Insurance Company Exclusion as expiring.
  - 20) The Named Insured is extended to include the Acquisition of "Ryder Automotive Carrier Services Inc., RC. Management Corp." and the Subsidiary and Affiliated companies thereof, as more fully defined in Definition 1. "INSURED".
  - 21) Costs and Expenses shall be in addition to the Limit of Liability hereon.

It is further noted and agreed that as a result of the acquisition, the merging of the subsidiary companies "Auto Haulaway, Inc. and MCL. Ryder Transport, Inc." will take place, the new subsidiary company to be named: "Auto Haulaway Company".

PREMIUM: USD 765,000 for the period hereon, pre-paid at inception.

U.S.  
CLASSIFICATION: Surplus lines.

INFORMATION: All information and applications on file with BRS. Ltd.



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CONTINUATION OF COVER NO. UM001160Y  
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HEREON 100% OF THE SUM INSURED AND PREMIUM

INSURED BY:

100.000% Zurich Specialties London Limited.

BUTCHER, ROBINSON AND STAPLES LTD.



DIRECTOR



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## ALLIED HOLDINGS INC.

**SCHEDULE OF UNDERLYING AMOUNTS**  
**in respect of liability emanating from U.S.A. Operations**

- A. All Personal Injuries, Property Damage, and Advertising Injury, except where separate amount specifically shown.

USD 5,000,000 Each Occurrence.

USD 5,000,000 Annual Aggregate, Each and Every Location.

Subject to a USD 50,000 Self Insured Retention each occurrence to apply after erosion of aggregate.

- B. Products Liability Hazard and Completed Operations Liability Hazard Combined.  
 (including the Liability for Occurrences which apply to Products Manufactured up to and including the 1st October, 1997, but which occur after 1st October, 1997).

USD 5,000,000 Each Occurrence.

USD 5,000,000 Annual Aggregate.

- C. Employers Liability Hazard.  
 (All U.S.A Operations other than "Legion Transportation, Inc." and "Inter Mobile, Inc.")

USD 5,000,000 Each Loss without Aggregate

In respect of the operations of Legion Transportation, Inc. and Inter Mobile, Inc. Underlying Amounts shall be:-

USD 5,000,000 Each Loss without Aggregate.

- D. Automobile Liability Hazard.

USD 5,000,000 Each Loss without Aggregate

**SCHEDULE OF UNDERLYING AMOUNTS**  
**in respect of liability emanating from Canadian Operations**

- A. All Personal Injuries, Bodily Injury, Property Damage, and Advertising Injury.

CAD <sup>10</sup>~~20~~ 000,000 Each Loss

CAD <sup>10</sup>~~20~~ 000,000 Annual Aggregate.

- B. Automobile Liability Hazard.

CAD <sup>10</sup>~~20~~ 000,000 Each Loss without Aggregate.



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**SCHEDULE OF UNDERLYING AMOUNTS**  
**in respect of liability emanating from South African Operations of Kar-Tainer Inc.).**

- A. All Personal Injuries, Property Damage, Advertising Injury, and Employers Liability Hazard, except where separate amount specifically shown.

USD 5,000,000 each Occurrence without Aggregate.

- B. Products Liability Hazard and Completed Operations Liability Hazard Combined.

USD 5,000,000 each Occurrence.  
USD 5,000,000 Annual Aggregate.



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# BUTCHER ROBINSON & STAPLES LIMITED

LLOYD'S BROKER

COLLEGIATE HOUSE, 9 ST. THOMAS STREET, LONDON SE1 9RY  
AND AT LLOYD'S

Member of the General Insurance Council No. 2289

TELEPHONE: 020-7407 0626  
TELEFAX: 020-7407-1076  
WEB ADDRESS: [www.brsitd.co.uk](http://www.brsitd.co.uk)  
CDE NUMBER 744

Couch and Associates, Inc. (US) of Georgia),  
3575, Habersham at Northlake,  
Building L,  
Tucker,  
Georgia, 30084.  
USA.

7th September, 2001

UM001160Y

**ENDORSEMENT ATTACHING TO AND FORMING PART OF**  
**COVER NOTE UM001160Y dated 7th November 2000.**

It is hereby noted and agreed that with effect from inception, the Canadian operation schedule of underlying amounts attaching to this Policy is amended to read as follows and not as heretofore:

**SCHEDULE OF UNDERLYING AMOUNTS**  
**in respect of liability emanating from Canadian Operations**

A. All Personal Injuries, Bodily Injury, Property Damage, and Advertising Injury.

USD 3,000,000 xs CAD 10,000,000 Each Loss  
USD 3,000,000 xs CAD 10,000,000 Annual Aggregate,

B. Automobile Liability Hazard.

USD 3,000,000 xs CAD 10,000,000 Each Loss without Aggregate.

Further, the Policy Review Clause referred to in General Condition No.5 of the Placing Slip is as attached hereto.

All other terms, conditions, warranties and provisions hereunder remain unaltered.

Yours Faithfully

DIRECTOR



MEMBER OF

Allied Holdings Inc.**POLICY REVIEW CLAUSE**

This Policy is amended in that Condition (K) of this Policy is deleted and that this Policy shall be subject to:

A) An underwriting review by Underwriters at any anniversary date in the event that:

i) during the period:-

- a) a single Loss is reserved at or above \$5m from ground up or,
- b) the underlying annual aggregate in any one year for the Products Liability Hazard and the Completed Operations Liability Hazard combined is exhausted;

In the event of a dispute regarding the reserve value of outstanding Loss(es), the figures produced by Underwriters' Attorneys shall be deemed acceptable; or

- ii) the Insured's estimated annual revenues in any year increase by more than 20%;  
or
- iii) the Insured engages in operations outside the scope of operations previously disclosed to Underwriters and which, in Underwriters' opinion, could present a greater hazard potential to Underwriters;

B) The Insured having the right to request an underwriting review in the event that:-

- i) the Insured's revenues fail to meet the estimated amounts set forth in the Application and reflect a reduction of 20% or more of the projected amounts;  
or
- ii) the Insured's operations have materially changed reflecting a reduced underwriting exposure;
- iii) the Company's financial rating is below A- by A.M. Best or an equivalent rating by another financial rating agency;
- iv) the Company is no longer a part of the Zurich Financial Services Group



This Policy may be cancelled by the Insured at pro-rata of the premium for the Period this Policy has been in force in the event that:-

- (i) following a Policy review Underwriters request a premium increase of more than 20% at any anniversary period;
- (ii) the Company's financial rating is below A- by A.M. Best or an equivalent rating by another financial rating agency;
- (iii) the Company is no longer a part of the Zurich Financial Services Group

It is a condition hereon that the Named Insured submit a fully completed, signed and dated Application Form to Underwriters not more than 90 days and not less than 60 days prior to each anniversary date.

As respects items A) i)-iii), Underwriters shall have the right to amend the premium, terms, conditions and exclusions of this Policy with effect from the applicable anniversary date.

In the event of non-payment of premium by the Insured this Policy may be cancelled by Underwriters by notifying the Named Insured stating when, not less than 10 days thereafter, cancellation shall be effective.

If this Policy is cancelled by the Named Insured or by Underwriters then notification should be sent in writing by registered or certified mail to the other party. Delivery of such written notice either by the Named Insured or by Underwriters shall be equivalent to mailing.

A change in the premium, terms, conditions or exclusions referred to herein shall not constitute a refusal by Underwriters to continue or renew this Policy.

Nothing contained herein shall be construed to amend the Insured's obligations under Condition (D) of this Policy.